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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 or 15(d) of
THE SECURITIES EXCHANGE ACT OF 1934

RECD S.E.C.

For the Quarter Ended
March 31, 1992

Commission File
Number 33-23587-LA

GALLERY RODEO INTERNATIONAL
(Exact name of registrant as specified in its charter)

California	95-4142608
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
421 North Rodeo Drive Beverly Hills, CA	90210
(Address of Principal executive offices)	(Zip Code)

Registrant's telephone number: (310) 273-2105

RECD S.E.C.
MAY 15 1992
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NOT APPLICABLE
Former name, former address and former fiscal year if changed since last report

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES X NO

As of May 14, 1992 there were 7,130,672 shares of Common Stock outstanding.

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GALLERY RODEO INTERNATIONAL

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Item 1. Financial Statements

GALLERY RODEO INTERNATIONAL
Condensed Balance Sheets
March 31, 1992 and December 31, 1991

	(Unaudited) March 31, 1992	December 31, 1991
ASSETS		
Current Assets:		
Cash	$ 52,039	$ 123,059
Accounts Receivable, Net	1,975,644	1,714,547
Loans to officer	164,836	140,435
Inventories	2,235,539	1,989,818
Prepaid Expenses and Other	150,789	127,737
TOTAL CURRENT ASSETS	$4,578,847	$4,475,576
Equipment & Leasehold Improvements (net of depreciation and amortization)	320,814	327,402
Deposits and Other	148,650	143,768
TOTAL ASSETS	$5,048,311	$4,946,747

See Notes to financial statements

GALLERY RODEO INTERNATIONAL
Condensed Balance Sheets (continued)
March 31, 1992 and December 31, 199[illegible]

	(Unaudited) March 31, 1992	December 31, 199[illegible]
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable and Accrued Expenses	$ 515.4[illegible]	$ 379,69[illegible]
Customer Deposits	692,3[illegible]	[illegible],016,19[illegible]
Total Current Liabilities	$1,207,[illegible]	$1,395,88[illegible]
Stockholders' Equity:		
Common Stock-100,000,000 shares authorized;6,730,672 shares issued and outstanding at March 31, 1992; 6,725,672 shares issued and outstanding at December 31, 199[illegible]	77,[illegible]	77,[illegible]
Additional Paid-in Capital	[illegible],340,[illegible]	[illegible],340,138
Retained Earnings	422,[illegible]	132,98[illegible]
Total Stockholders' Equity	$3,840,[illegible]	$3,550,864
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$5,048,[illegible]	$4,946,747

See notes to financial statements

GALLERY RODEO INTERNATIONAL
Condensed Income Statements
for the Three Month Periods Ended March 31, 1992
and March 31, 1991
Unaudited

	Three Months Ended March 31, 1992	Three Months Ended March 31, 1991
Sales	$1,211,847	$1,860,332
Sales of Franchises	400,000	
Total Revenues	$1,611,847	$1,860,332
Cost of Sales	493,673	389,051
Gross Profit	$1,118,174	$1,471,281
Selling Expense	352,134	598,259
General and Administrative Expenses	476,457	584,453
Income from Operations	$ 289,583	$ 288,570
Other Income (Expense)	300	235
Net Income	$ 289,883	$ 288,805
Earnings Per Share	$ .04	$ .04

See Notes to financial statements

GALLERY RODEO INTERNATIONAL
Condensed Statements of Cash Flow
For the Three Month Periods Ended March 31, 1992
and March 31, 1991
(Unaudited)

	Three Months Ended March 31, 1992	March 31, 1991
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 289,883	$ 285,905
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Depreciation & Amortization	11,601	10,058
Changes in Current Assets and Current Liabilities		
Accounts Receivable, Net	(261,117)	(38,651)
Inventories	134,279	(155,778)
Other Current Assets	(47,453)	41,650
Accounts Payable and Accrued Expenses	135,774	20,155
Customer deposits and Other	(324,098)	(107,243)
Net Cash Provided by (Used in) Operating Activities	$(61,131)	$ (44,004)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Asset Acquisition	(5,012)	- - -
Deposits and Other	(4,882)	- - -
Net Cash Provided by (Used) Investing Activities	$(9,894)	- - -
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital Contributions	5	- - -
Net Increase (Decrease) in Cash	$ (71,020)	$ (44,004)
Cash at Beginning of Period	123,059	103,910
Cash at End of Period	$ 52,039	$ 59,905
Cash Paid for interest	$ 581	$ 344

See notes to financial statements

GALLERY RODEO INTERNATIONAL
Notes to Condensed Financial Statements
(Unaudited)

Note 1. Condensed Financial Statements

Statements

The condensed balance sheet as of March 31, 1992, the income statements and the statements of cash flows for the three month periods ended March 31, 1992 and March 31, 1991 have been prepared by the Company, without audit.

In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and changes in cash flows at March 31, 1992 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 1991 financial statements. The results of operations for the period ended March 31, 1992 are not necessarily indicative of operating results for the full year.

Note 2. Summary of Accounting Policies

Business

Gallery Rodeo International markets original fine art and limited edition serigraphs, lithographs and sculpture. The Company promotes its own as well as other artists in art galleries throughout the United States and through its three company-owned galleries.

The Company also buys and sells art through its relationships in Europe and Japan.

Inventories

Inventories, consisting primarily of finished artworks, are valued at the lower of cost or market using the specific identification method.

Equipment and Leasehold Improvements

Equipment and leasehold improvements are stated at cost. Depreciation is being provided by use of the straight-line method over the estimated useful lives of these assets. Leasehold improvements are amortized over the term of the lease. The cost and accumulated depreciation of items sold or retired are removed from the asset accounts and the resulting gain or loss is recognized in income. Expenditures for maintenance and repairs are charged to expense, as incurred.

Revenues

Revenue from sales of artwork is recognized upon passage of title to the customer.

Taxes on Income

The Company has adopted Statement No. 96 of the Financial Accounting Standards Board. When material, deferred income taxes are provided on differences between the financial reporting and income taxes bases of assets and liabilities based upon statutory tax rates enacted for future periods.

Reclassifications

Certain reclassifications have been made to the prior periods financial statements to conform to the March 31, 1992 presentation.

GALLERY RODEO INTERNATIONAL
Notes to Condensed Financial Statements
(Unaudited)

Note 3. Income Taxes

For federal and state income tax purposes, the company recognizes revenue using the net receipts methods, which is another form of cash basis accounting. This significantly reduces sales. This method is acceptable under the Internal Revenue Code. For tax purposes, the Company has reported net losses for the years ended Decmeber 31, 1991, 1990 and 1989. The Company has significant net operating loss carryforwards for tax purposes. Due to the above, the Company is not reporting a provision for income tax expense.

Note 4. Stockholders' Equity

Stockholders' equity changed as follows:

Stockholders' Equity, December 31, 1991	$3,550,864
Issuance of 5,000 shares of common stock	5
Net Income for Three Months Ended March 31, 1992	289,883
Stockholders' equity, March 31, 1992	$3,840,752

Item 2. Management's Discussion and Analysis of the Financial Condition and Operating Results

Results of operations - Quarter ended March 31, 1992

Sales volume (sale of artwork) decreased by approximately 34% compared to the quarter ended March 31, 1991. This was due to resistance in the marketplace and a general recessionary environment both in the overall economy and very specifically in the sales of fine art. However, the Company had its first sale of franchises this quarter. Two franchises to operate 'Gallery Rodeo' art galleries were sold for $200,000 apiece. Total revenue for the three month period was $1,612,000 compared to $1,860,000 in 1991.

Cost of sales increased from 21% of sales in 1991 to 30% because of increased competitive pressures.

Selling expenses and general and administrative expenses decreased due to management's cost containment policies.

Liquidity and Capital Resources

Working capital increased by $292,000 to $3,371,000 from $3,079,000 at December 31, 1991 through funds generated from operations.

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

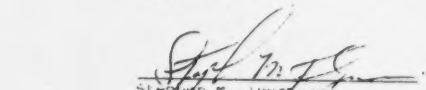
(a) Exhibits - None

(b) Reports on Form 8-K - There were no reports on Form 8-K filed for the three months ended March 31, 1992.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunder duly authorized.

GALLERY RODEO INTERNATIONAL
Registrant



Stephen M. Thompson
President, Chief Executive Officer, Chief Financial Officer

Date: May 14, 1992